COMMUNICATIONS

COINAGE AND SEIGNIORAGE.

HOUSE OF REPRESENTATIVES, JULY 29, 1852

Means or as a member of the House.

We have arrived, however, at that period of the session and of the season too, when no proper discussion can be had on subjects so abstruse; and I therefore send you the report, with the view of awakening public attention to measures before Congress, than which few, if any, can be more important. Yours, respectfully,

JAMES BROOKS

The new coinage and seigniorage bill from the Senate The new comage and seignorage our from the Senate, now before the House of Representatives, proposes—
First: A change in the weight of the silver half dellar from 2061 grains, its present weight, to 192 grains, and a like reduction of the quarter dellar, dime, and half dime, the reduction being 6 91-100 per cent.

Second: The limitation of the half and quarter dellar, dime, and half dime to level tender for five dellars.

and half dime, to a legal tender for five dollars only.

Third: Prohibition of silver deposites at the mint for

their coinage, except by the treasurer of the mint or un-der authority of the United States.

Fourth: A charge to the depositor as seigniorage or brassage, is addition to the charges in the act of 1837, upon all gold cast into bars or ingots, as well as coins of one half of one per cent.

Fifth: A new gold coin of three dollars.

This bill thus proposes a most essential and radical reduc-tion in the weight of that portion of the currency with which all the smaller transactions of society are made; and, in order to carry this change out, without interference by deposite of all silver bullion at the mint to be made into silver coins; for it is not to be presumed that there will be any more coinage of the dollar. The money unit of the United States, with the weight (by law) standard silver, of 4124 grains, when the two half dollars, weighsilver, of 412½ grains, when the two half dollars, weighing but 384 grains, is made currency for just as much as the 412½ grains. The practical effect of this bill may be considered, then, as abolishing for currency the dollar, the money unit—the very basis upon which, by the resolve of July 6, 1785, the whole currency of the United States, following the proposition of Mr. Jefferson in 1782, now stands, and has stood, even before the organization

of the existing Government.

Other changes in our currency of still greater practical importance result from this bill, and seem to be neces-sarily involved in it. The idea of using silver as a token rather than a currency, as proposed here, originated, it is believed, with the celebrated Lord Liverpool, the master of the British mint, in the latter part of the last century, and it was adopted by the British Government in practice in 1816, (56 Geo. III.) when the pound weight troy of silver (11 oz. 2 dwts. fine, 18 dwts. alloy) was coined into sixty-six shillings instead of sixty-two as hefore—this sixty-six shillings instead of sixty-two, as before—this being four shillings above the mint price of silver. Silver thus being issued from the mint at four shillings per pound more than it was worth, the Government, in order the bill before us limits the legal tender of like deterior-sted coin to five dollars, in order to prevent these deteriorated half-dollars, quarters, dimes, and half-dimes from being used in all payments of debts. In Great Britain there have been, since the act of 1816 up to the present day, disputes and serious doubts as to the propriety of the act of 1816 suggested by Lord Liverpool; and it is not at all certain that, if the silver token of England was not now in extensive use, the British people would not now repeal the act of 1816, and make silver as well as gold a legal tender. Mr. Alexander Baring, (now Lord Ashburton,) in his evidence before the Committee for Coin in 1828, (British Parliament,) expressed great dissatisfaction with the present state of the British silver coinage. J. Horsley Palmer, ex-governor of the Bank of England, (1832) in his evidence before the House of Common. (1832.) in his evidence before the House of Commons, states that the Bank of England received the British silver deteriorated coinage in order to save it from depreci-ation. The retail traders, it seems, receiving silver half-crowns, shillings, sixpence, &c., from six to ten per cent. above their real value, and requiring to have these tokens converted into gold or paper, brought it to the Bank, and only got rid of it through a kind of favor at the Bank. In 1830 the Bank accumulated in its coffers the immerse 1830 the Bank accumulated in its coffers the immense sun of £936,000 of these silver tokens; and in 1831, by arrangement with the Government, £600,000 was melted down into bullion. Mr. Morrison, a writer of much note and worthy of much consideraton, in 1837 examined the whole subject with great ability, and came to the conclusion that the British system, which is now proposed for our adoption, is vicious, and tends to the severe commercial panies and commercial revolutions that so often occur in

only legal tender, save for debts at or under 40 shillings; and hence silver as a concurrent standard has been abol ished. The bill before us does the same thing in making silver half dollars, quarters, dimes, and half dimes of diminished weight a tender for five dollars. And hence, under this bill, as in England, gold would become the only United States standard. Such a change as this in our currency is, however quietly it may be made, almost a currency revolution. Silver was almost our sole prac-tical standard prior to what is called the gold act of 1834; that is to say, debts were paid in silver: and since that act, till of late, silver has had a concurrent practical value and gold. Each metal is legal tender, and is in common and gold. Each motal is legal tender, and is in common use as such. Gold there has generally borne a very small agio, or premium, but that agio has been little more than what is paid for the superior convenience of gold. The difference between gold and silver coin is published every day in the prices current, under the sanction of the Government, and hence, as the standards vary, the exact variation is known to every body. The French system has worked and is working well, as ours has worked well till within the last year or eighteen months. Lord Liverpool, however, in his Treatise on the "Coins of the Realm," ably argues that but one metal should be a stan-dard, and that metal be gold. The not less celebrated Mr. Locke, Sir William Petty, Sir Martin Powkes, Mr. Harris, and, in later times, Lord Lauderdale, Mr. Ricardo, and Lord Ashburton, have contended that silver is the money of account all over the world, and the fittest to be the standard of value. Their arguments and able discussions, it is only proposed here to state, exist, in order to show what opinions learned and experienced men have as to the important principles involved in this bill from the Senate. If it be correct that the bill abolishes silver as a standard and makes gold the exclusive standard, it will be seen at and makes gold the exclusive standard, it will be seen at once that we not only reverse our own system, existing since the earliest settlement of our country, but commit ourselves to the British system of gold exclusively, when other European nations regulate the value of their money by the value of silver. So important a step ought not to be taken without the greatest consideration and discontinuous and real three standard. Every half dollar now in circulation will then be worth 54 cents, less a fraction; every quarter of a dollar 27 cents, less a fraction; and so of dimes and half dimes. The bill debases or degrades the new coin, so that it will not circulate with the old. The gold dollar cannot supply the place of the silver dollar, because a gold dollar is not worth the 371 grains of pure silver in the United States. other European by the value of silver. So important a step ought not to be taken without the greatest consideration and discus-sion, and not then, until we have taken before some committee the evidence of our most experienced and

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Again, Mr. Gallatin, in his "Essay on Banks and Cur-

The bill from the Senate, it may be repeated, propose having only these depreciated tokens, would, in order to discharge his own debts for sums over five dollars, be obliged to convert them into gold or currency of some sort at a premium of this seven per cent. The Secretary of the Treasury, to be sure, would attempt to avert this by limiting this coin in numbers, and keeping it short of the demand; but this would be only a limitation of our specie currency, and have the effect of driving from our market the silver bullion which we cannot be seven as a seven course. the silver bullion which we ought to have from Mexico and South America. Indeed, the bill proposes, as an in-dispensable part of the system, that the mint shall purullion out of its bullion fund, and that the amount coined shall be regulated by the Secretary of the Treasury, and expected it will, in consequence of our closer con-nexion with them by steamships, and in consequence of mparatively low price of quicksilver and the use of machinery, are we to lose nearly all the benefits of the by shutting up our market for silver bullion, and

The peculiar condition of the gold and silver mines of the world just now should make us exceedingly cautious what steps we take, if we take any. That the relative value of gold and silver is in the process of revolution, is highly probable; but when or where that revolution is to see. The present comparative value of gold and silver, as now established by law in the United States, is 1 increase of silver, this relative value must eventually charge, and gold become much cheaper as compared with silver. To make gold, then, if this be so, the sole measure of value, would be to revolutionize investments or obligations of debt, by enabling the debtor to pay in gold perhaps worth only as one to ten, when he contracted to pay same depreciation if the production of the silver mines is not stimulated; but of that increase there is great probability, as shown in the fact before stated of the cheap-ness of quicksilver and the use of machinery, and the proximity of the silver mines to us, created and brought about by our Pacific possessions, and our increasing intercourse over the Isthmus of Panama and by Lake intercourse over the Isthmus of Panama and by Lake Nicaragua. All we can say now is, that it is dangerous, just as this probable revolution in the production of the metals is taking place, to make one or the other the sole and exclusive standard of value; for there is reason to look not only for a great change in the relative value of coin and commodities within twenty years, but also in the relative value of gold and silver. Tables are in circulation estimating that the proportion of gold to silver in 1869 will be nearly one half of each metal, when in 1849 the proportion was about one-fourth gold to threein 1869 will be nearly one half of each metal, when in 1849 the proportion was about one-fourth gold to three-fourths silver; and from 1809 to 1849, a period of forty years, the proportion was two-thirds silver to one-third gold. Estimates only, such as this, from practical men, should make us very wary in what steps we take. The laudable object of the bill from the Senate is to

restore to the country the silver coin which has been taken from the United States of late, in part from the mistake of the gold bill of 1834, where our silver coin was inderrated; in part from the convulsive effort made in underrated; in part from the convulsive effort made in Holland to secure an exclusive silver standard; and in part, it may be, from the greater increased production of gold over silver since California and Australia production has been added to that of Siberia. The Secretary of the Treasury, in his annual report, says:

"The relative value of our gold and silver coins is as 1 to 15.988, and the bullion value of our silver coin in Eng-land is 15.716, being a difference of 272-thousandths, or nearly two per cent. It follows, then, as a mutter of course, that,

than the United States; that is to say, an ounce of pure gold is in the United States produced from the coinage of 15.988 ounces of pure silver; whereas in France the ounce of pure gold is produced from only 15.499 ounces of certificate of its contents. This fact is disputed. It is of pure silver. Of course, then, neither to France nor to England will gold be sent from the United States until

drive it out of circulation, and therefore the state of circulation age. This silver dollar has been the money unit by which, since the formation of the Government, taking for our model the well-known Spanish dollar, we have determined the value of gold. It is argued with great force that this money unit should never be disturbed, either in theory or practice, and that, if we make any change, it ought to be in the gold coinage, by increasing the weight of the eagle, or ceasing to coin eagles, and then coining pieces, with new names and devices, containing the value in gold of \$4, \$8, \$16 worth of standard silver. Another effect of the Senate bill will be so to appreciate the present half dollar and quarter as to drive them out of circulation. Every half dollar now in circulation will then be worth of ceasts, less a fraction; every quarter of a dollar 27 that the dollar and exercises its power of sovereignty in the coinage of that that bullion. Whether the individual should pay for the not circulate with the old. The gold dollar cannot supply the place of the silver dollar, because a gold dollar is not worth the 371 grains of pure silver in the United States dollar. The half dollar cannot supply the place, because two half-dollars will weigh only 384 grains standard, instead of the 412 standard, in the real dollar. There is real standard, in the real dollar the real dollar the standard in the real dollar. There is real standard, in the real dollar the real dollar the standard in the standard in the real dollar the standard in the sta committee the evidence of our most experienced and learned men.

Mr. Secretary Ingham, in an elaborate report, which he made in 1830, on the "relative value of gold and silver," expressed himself with foreible reason against the British system of one standard of silver for 40s. and under for small transactions, and another standard over 40s. in gold for large transactions:

"The character of the English monetary system (he says) may be practically understood when it is observed that a tenant, who receives in payment for his product silver tokens at 66s. for the pound, equal to 71s. 4jd. the pound for fine silver, may be obliged to pay his rent and taxes in a medium

stead of the 412] standard, in the real dollar. There is reason to fear that under the bill, as the worse, the degraded edirculating medium always displaces the better, degraded half dollars and quarters would, with small bank notes, in a good degree displace the sound circulation we have been recovering, or trying to recover, under the act of Congress of 1834 and 1837, and leave us but little for of Congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us but little for of congress of 1834 and 1857, and leave us

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that part of evidence which Congress can proceed wisely

Albert Gallatin, whose very name is authority on curperience of England and France, Holland and Hamburgh in coins and currency? What is the probable production, or to be the probable production, of the silver mines of America and the gold production of California and Australia? Is gold increasing in production to an extent as to eventually change the relative value of silver and gold? How has worked Lord Liverpool's plan of degrading the British silver currency, and how has worked the double standard of silver and gold in France? Is the bank of Hamburgh's plan of money of account an improvement standard of silver and gold in France? Is the bank of Hamburgh's plan of money of account an improvement or not upon the British, French, and American system? These, and the like, are important questions, evolving important facts, indispensably necessary for wise and even prudent legislation. It would also be advisable to know what the Governments of England and France or their mints propose, if any thing, in the apparent changing condition of the value of gold, silver, or commodities.

> 5.988. The medium of exchange between France and the United States, the only two countries where the double naps, be also deemed expedient to restore the fineness of our gold standard to what it was under the act of 1792, April 2, viz. 22 carats, or 917 thousandths, which was reduced by the act of 1834 to 21 carats 2 14-45 carat grains, or 899.225-1000, and by the act of 1837 to 900 thousandths fine. Pure gold, it is known to almost arat. Now, while in the United States the gold eagle under the act of 1834 is only 21 carats and 2.14-48 carat British sovereign is 22 carats fine, or 9163 thousandths; that is, finer than the eagle by the difference between 2 14-43 and a carat, or the difference between 916g thousandths, and 899 225-1000. By the act of 1837 the eagle was made 900 thousandths fine, yet the British overeign is 0163 thousandths finer. The standard of nine-tenths fine as adopted in France is now our standard, and it is valuable for its simplicity; but as it is in England we have our main intercourse with the world, d rectly or indirectly, and as there our gold coins mainly there for being "worse" than standard, thus thrown into the melting-pot, reconverted into bullion, or sold to the Bank of England for £3 16s. $2\frac{1}{2}$ d. per oz., when British standard gold is bought by the bank at £3 17s. 9d. or returned from the mint £3 17s. $10\frac{1}{2}$ d. per oz. As we are now exporters of gold, this useless expense of melting down and assaying in England, with brokerage and other of 1 oz. or 2 oz. or 3 oz. or more, 22 carats fine, its exact

Treasury, and by others in Congress, that some seigniorage, or brassage, or retenue, (the French term,) be imposed upon coinage; and indeed a charge upon coinage is imposed in this bill. The act of 1837 (10th section) makes the depositor pay the actual expense to the mint for re-"the actual expense (to quote the words of the act) to the mint of the materials and labor employed in each of the cases before mentioned;" but the bill says: "In all cases, whether the gold and silver deposited be coined or cast into bars or ingots, there shall be a charge to the depositor, in addition to the charge now made for refining or

parting the metals, of one half of one per cent." It is urged by the Secretary of the Treasury, and by others in Congress, that the expenses of mintage have in creased to such an extent in consequence of the accession of California and the heavy bullion fund, the interest on which is estimated at \$400,000 annually, (which sum is kept by law mainly in Philadelphia to provide a fund for York,) that the mints should be made to support them-selves. It is worth the while here to remark that this seigniorage or brassage proposition is, if not entirely a new thing in theory in the United States, entirely new in prac-tice. It is not known that ever before was it seriously proposed here to tax the depositor of bullion a per cent-age upon his deposite. A seigniorage has been proposed that takes from the coin in weight the cost of its fabrication, but makes it legal tender at its full weight. That sort of seigniorage is proposed in the bill before us, which reduces the present 2064 grains of standard silver in the half dollar to 192 grains, the difference, 144 grains, being a seigniorage: levied, however, not on the depositor, who gets for his silver bullion from the mint all that it is worth in the market, but upon the community, who are made to take a half dollar coin at 141 grains more than it is worth. This sort of a seigniorage is a species of fraud, because in the discharge of all previous stipulated payments the dollar would pay his creditor less than his contract by all the amount of the seigniorage. Whatever the Government gains, somebody must lose, and therefore such after for that purpose, even at a premium; and consequently will disappear from circulation."

Seigniorage is a tax, which falls either on certain individuals or on the public at large.

With respect to

will disappear from circulation."

With respect to brassage—that is, a charge at the mint
France, it may be added, rates silver yet lower than
England: that is, as 1 to 15.499—three per cent. lower
than the United States: that is to any re extent of the workmanship the metal has in reality ac-of quired an additional value from the more convenient form certificate of its contents. This fact is disputed. It is advanced with some qualification in Smith's Wealth of Nations (vol. 1, p. 77) as a probable fact, but experience England will gold be sent from the United States until silver is exhausted.

This condition of the currency may demand some remedy; but what remedy, and when, is the more important question. Nothing is more fatal to commerce than mistakes made in the standards of value; and to cure a present ill we should not be flying to others that are worse. We have already stated that one of the first effects of the Senate bill will be so to appreciate the silver dollar as to drive it out of circulation, and therefore to stop its coinage. This silver dollar has been the money unit by which, since the formation of the Government, taking for our coins of the grant of the government, taking for our is now so freely exported and remelted in the remark:

"When (a) country passesses the quantity (of gold) preserved.

in and exercises its power of sovereignty in the coinage of that bullion. Whether the individual should pay for the exercise of that power in the Government, which mono-

It is, and has long been, a dispute among the writers on coins, whether the charge of fabricating coins, and even a seigniorage payable to the sovereign, should not be taken out of our coins, as it is practised in most of our foreign countries; and many eminent men have differed on this point. I incline to think that the charge of fabrication should not be taken from those coins, which are the principal measure of property and inclined to the charge of the coins, which are the principal measure of property. ose coins, which are the principal measure of property and in-rument of commerce; and still less any profit derived from ignorage payable to the sovereign.

Because this principal measure of property would not in

would be necessary to prevent an enhancement of the value of the currency that their weight should be propor tionally reduced, and it is on this account better, perhaps

quoted, favored an experiment of one half per cent. on each of the metals, but "under an impression that a nore alloy than is usual; a third viz. authorizing a large "remedy" to be taken, (which remedy is nothing more than an allowance for dross in coining,) and not requiring the mint to make coin as perfect as possible.

"The right or prerogative of seigniorage was probably of Gothic institution; for the ancient Governments of Europe prior to the invasion of the Goths, do not appear to have derived any profit from the making of their coins. Some of their took, indeed, sufficient to defray the charge of fabrication, by Le Blanc says that the Roman Government did not take any allowance for it, and that it was defrayed out of the public revenue. After the invasion of the Goths the profits of seign-

Mr. ex-Secretary inguam, in his elaborate and learned report on coins and coinage in 1830, says:

"Seigniorage is paid in the first instance by the holder of the bullion, who receives a remuneration, not in the same weight of coined metal, but in the measured legal value of a less quantity, which is made by law a tender for as much as it was valued when delivered at the mint. The coinage, therefore, costs the holder nothing except what he pays as a member of the community, where property is affected by the depreciation of the standard measure."

This species of seigniorage may be illustrated thus: person takes 258 grains of gold to the mint—that is the number of grains of gold in a United States eagle, (\$10.) Suppose this seigniorage, one per cent., to be taken out of the weight, he would receive back only \$9.90; but by nothing, though society may. This is the species of seigniorage almost always advised where there is to be any at all. But the seigniorage advocated in the Senate bill would operate another way. The person taking the 258 grains of gold to the mint, worth \$10, would have to give \$10.10; that is to say, he would have to carry to the mint his 258 grains of gold, and 10 cents' worth more of

free from their establishment, save that the expenses of preparing for the coinage have been paid by the deposi-tor. Congress never followed out Mr. Alexander Hamilton's idea even as an "experiment." Some such experiment was urged upon Congress in 1832, but without

It is not pretended now, it is believed, that there is seignorage on gold in England, or interest since the days of Charles II. The miut price for gold is £3 17s. 101d. per oz. there, and has been without is £3 17s. 103d. per oz. there, and has been without change for many years. The Bank of England is compelchange for many years. The bank of England is compet-led by law to buy standard bullion at £3 17s. 9d., or to exchange it for Bank of England notes, a legal tender, redeemable in coin. Government keeps up the mint of England, not the depositors. To impose a tax or seignior-age, then, upon the depositor in our mint, it is contended, is to give a premium to the amount of the tax for the exis to give a premium to the amount of the tax for the exis to give a premium to the amount of the tax for the export of gold away from the country, where the tax is imposed, to the country where no such tax exists, where coinage is free. It is a question well to be considered whether importing into New York, as the Atlantic States do now, from California \$50,000,000 bullion per annum, we should tax that bullion 1 per cent. (a half million) or 1 per cent. (a quarter of a million of dollars) in seigniorage, when that bullion, on the isthmus at Chagres or Aspinwall, can go to London and be coined for nothing, about as cheaply as to New York, where this half million or quarter million tax awaits it. If such a seigniorage were right in itself and proper, another grave question would follow, Shall we thus turn from us the golden stream of California into British mints, British sovereigns, British pockets? We are told, however, this gold goes now in from Aspinwall. The reply to this might be sufficien that we then lose the freight and the insurance; but the better answer is, that where our bullion goes our trade will follow, as the shadow follows the sun; that the coun try which monopolizes the bullion of the world, the repre sentative of commerce, monopolizes also the commerce of the world. All nations so highly value the privilege of coining money that it is every where made the especial prerogative of sovereignty. It is the universal impres-sion that, as a nation insinuates or forces its coin, the representative of its trade, commerce, and manufactures over the earth, it insinuates or forces with it the reality When it has the stamp of a nation's endorsement of its fineness, weight, and value, it has a value men are loth ald part with, and one of the first it should cherish, is

coinage; above all, the coinage, as much as possible, of its own bullion.

It is urged again, however, that as the mints of the continent of Europe have a seigniorage, so should we. What that seigniorage is of the continental mints, and to what that seighlorage is of the continental mints, and to whater extent it is carried, we have just now no means of knowing, and respecting the fact there is great dispute. A seignicrage which diminishes the weight of coin, but makes it a legal tender, as if of full weight, such as is believed to exist in some of their mints, is no such tax, such duty, such impost as is levied by the Senate bill upon the depositor of bullion, and justifies no such tax, duty, or impost. Before we presume to act upon such European precedent, we should ascertain officially, either plated in the standard of value in France, or Belgium, or Holland, or Hamburgh. Rumors, creating much anxiety in our commercial world, have been spread abroad of

great changes contemplated. It would be a relief to ascertain that such rumors were unfounded.

It would seem to be quite proper in the present state of our gold trade to authorize the casting of bars or ingots either of gold 22 carats fine, the British standard, or of standard fineness, with the stamp upon them of their weight and fineness. Under the act of 1828 the mint

the presents we give. At present, to be taxing our own gold production would be but copying the colonial policy of Spain, which levied a tax upon the silver mines of Spanish America, much to their detriment and but little

interest in transporting bullion and foreign coins from New York, the place of import, to Philadelphia, the place phia without the delay and losses of interest, that was turning from us the bullion trade of California and other parts of the world. The expense of this deposite the Secretary now proposes to avoid by the issue of mint certificates of bullion deposited, receivable for Government dues, instead of immediate return from the Treasury deposite A mint in New York would relieve much of the necessity bullion or more per annum from New York to Philadel phia to be coined there, and then back from Philadelphia to New York in coin; which seigniorage is, in the charge for commission, cartage, freight, insurance to and from, &c. &c., a charge amounting, in most cases, to one-half of one per cent—in some cases more, and in other cases less; only, however, when parties can afford to be their own runadd to this species of travelling seigniorage, a Government tax seigniorage of even half per cent. more would be a tax in addition, on fifty millions of dollars, of \$250,000 per annum; enough to drive large masses of bullion and of foreign coins from the country at once, to be used else-

it well, it being turned into small coin, not valuable for export without a higher premium than is likely to reign; but it is a question, in the present state of our silver cur rency, and in our proximity now to the mines of Mexico and of South America, nearly all of whose silver runs elsewhere, in the currents of trade, whether we should add to the obstructions, which have already lasted toe

above is, that at this session of Congress it would not be advisable with the facts before us to legislate, lest this legislation may do more harin than good; but that by some committee, during the recess, facts should be ob-tained by the personal examination of practical and scientific men in the United States, and by the collection of whatever is obtainable from Europe, so that by the next session Congress may be put in possession of all

SEIGNIORAGE ON THE GOLD COINAGE.

FOR THE NATIONAL INTELLIGENCER. Messrs. EDITORS: In the speech of the Hon. Mr. BROOKS, of New York, against the plan of a small seiged, I find the following statement as to the relative cost the risk attending the detention of transporting gold from San Francisco to the United place as Chagres. States and Great Britain respectively, which Mr. Brooks publishes, under the authority of an express house, (Adams & Co.,) with a view of proving that any tax, however small, will have the tendency to drive the California gold to London instead of New York:

Estimate of the cost of transporting \$100,000 bullion from San Francisco to New York, and the same to London.

New York, 2 per cent.

SAN FRANCISCO TO LONDON San Francisco to Panama,

trade between the two countries required that this gold efforts have set the people to thinking, and the most flatpense of coinage would not make it take that course. England, the exemption of it from that charge would not action going on in public opinion. We will soon have, I retain it in the United States.

into service in such form that they at least do not reprerather a matter of surprise that a gentleman so intellinot at once detect the fallacy of this statement when it speaks and acts alone through the suffrages of her enthat the route over which this gold is carried is the same. pense. And it is hardly to be supposed it then could be political sky. transported at less cost for freight and insurance for the longer and more dangerous voyage from Chagres to Lonout to ascertain by examination and evidence, what the don, than the shorter and less hazardous one from Chagres facts really are. The history of Continental coinage is to New York, to say nothing of the more numerous opdon, than the shorter and less hazardous one from Chagres portunities and greater facilities offered for the latter casily comprehended but by a collation of all the facts of fineness, standard value, alloy, weight, &c. The books in our libraries give no reliable information, and much of what we have is antiquated or contradictory. It would out incurring the expense of any freight either on the Pacific or Atlantic side of the continent.

Let us, however, dissect the statement referred to. The freight from San Francisco to New York per steamers is put at 25 per cent., besides the transportation across the Isthmus of } per cent. additional; whilst for the gold going to London the freight to Panama is put at 1] per cent., and from Panama to London 19 per cent. This latter, therefore, includes the cost of the land In Birmingham alone there is a weekly consumption of freight from Chagres to Panama, which of course would gold for chains only, amounting to 1,000 oz. The weekly be the same whether the gold was destined for Londor or New York. Deducting, then, this | per cent. would leave 12 per cent. for the freight from Chagres to London, whilst 1} per cent. is allowed for the freight from Chagres to New York.

The mere statement of the fact carries its own refuts tion, and instead of being | per cent. less from Chagres to London, for a voyage so much longer, it should be and no doubt is | per cent. more than for the shorter voyage to New York.

So much, then, for the statement so far as regards freight; and let us now look at the insurance account.

San Francisco to New York the insurance is stated to be 2 per cent., whilst from San Francisco to London it is nly 1 per cent. Any results, of course, can be pro-

The insurance, of course, is the same on gold destined either to London or New York from San Francisco to Chagres, and the above difference, therefore, must exist in the rate after it leaves Chagres.

But is it to be supposed that any one at all familian with the subject is so ignorant as to suppose that insurance from Chagres to London is one-half per cent. les than from Chagres to New York? The former voyage is longer and more dangerous, and yet it is gravely asserted that the insurance is less.

In the statement the word "English" is inserted. If by this it is meant to convey the idea that English underwriters charge only 11 per cent. from San Francisco to London, whilst the New York insurers charge two per cent. to their port, the simple answer is, that if the Ame New York houses, who are the largest receivers of gold, Messrs. Adams & Co. among the number who transport o much for account of others,) have very heavy open policies constantly in existence in London; and if the per cent. from San Francisco via Panama and Chagres to ondon, they certainly would take it at a less rate by the ame route to New York, for no one will venture to assert that the latter marine risk is not less than to London

The true statement of the case for the transportation of \$100,000 from San Francisco would then be as follows :

San Francisco to London. San Francisco to New York.

Freight to Panama 11 per cent.......\$1,250 per cent...... Primage 5 per cent..... } per cent 4,375 00

New York.

Leaving..... as a difference on \$100,000 in favor of sending gold to

It will be seen in the above statement that the expen es in both instances are placed at the same to Chagres against which it is presumed no one can advance any ob arises from a charge of 1 per cent. less freight and 1 per cent. less insurance, below what they would be from Chagres to London, both certainly very moderate estimates. How any one could for a moment suppose or estimate that either charge would be less to London than New York it would be difficult to imagine.

No notice has been taken in the above of the collatera advantages at present existing in favor of New York, from the fact that there is a weekly channer from Chagres to that city, and only a monthly one from Chagres to London. To send gold by the latter conveyance would therefore involve an additional average delay of at least fifteen days, equal to the loss of } per cent. in interest, besides

TO THE EDITORS.

STARKVILLE, (GEORGIA,) JULY 22, 1852. I perceive, from the perusal of papers published out of this State, that it is generally supposed that the disaffection of a few prominent Whigs will result in the entire loss of an electoral ticket for Gen. Scorr. It is a very great mistake to suppose that the Whig party of Georgiz. are controlled by any inconsiderable number of political leaders. * * * * * Our people are a people who think and act for themselves, and who will satisfy the doubting at the November elections that they are not to be led by a few capricious politicians into a want of appreciation of the distinguished services of WINFIELD SCOTT. When news of the nomination first reached us those who declared themselves for Scorr were objects of curio sity. But a few of the political journals of the State have had the fearlessness to "throw themselves in the breach" and battle for Scott with the weapons of truth. They have exhibited facts to the country. They have shown the positions previously occupied by the candidates before the people; the platforms (with their relative merits) upon which they stand, and the probabilities from the It might be a sufficient answer to this statement to say past history of each in favor of their complying with their that, even admitting it to be correct, unless the course of pledges and standing upon their platforms. These patriotic should go to England, a small seigniorage to cover the ex- tering results have followed. Numbers are constantly leaving the ranks of the disaffected and enlisting under On the contrary, if the wants of commerce required it in the banner of Scorr and GRAHAM. There is a mighty retrust, an electoral ticket; and he who thinks that the It is generally thought and said that "figures will Milledgeville Convention, or any other assemblage of not lie," but nevertheless they are frequently pressed people that has hitherto convened in this State, are exponents of the politics of the people, may expect to discover sent the truth, as is the fact in the present case. It is by the ides of November that Georgia neither expresses her will through political trumpets nor "pins her faith" gent and generally so well informed as Mr. Brooks did to any unauthorized or half-represented Conventions. She was handed to him, particularly when it is recollected lightened yeomen. Georgia may not go for Scott, but the result will redeem the character of at least a large minoriwhether destined for either country, until it reaches the ty. *, * * I do not think Gen. Scorr need despair waters of the Atlantic, and of course at the same ex- of getting Georgia, judging from the signs portent in the

> Consumption or Gold.—The following curious statistics relative to the consumption of gold were stated in a Lecture lately delivered at the Geological Society at

The entire amount of gold in circulation is said to £48,000,000; of which the wear and waste is stated to be 31 per cent. annually, or £1,680,000. The consumption f gold in arts and manufactures is as follows:

In the United Kingtom.....

onsumption for gold-leaf in London is 400 oz.; in other places in Great Britain, 184 oz. .

One of the potteries in Staffordshire consumes £3,5

worth of gold annually in gilding; and the whole sumption for gilding porcelain in England is estima' about 8,500 onnees annually.

RATS VS. Dog. - The Louisville Journal says dog was actually killed by a number of rats last week. They attacked him with fury, many were slain, others supplied their plac fought his natural enemies valiantly, and both, "with harness on his back."